



## The Social Economy and an Integrated Approach to the Localized SDGs in Seoul: Interrogating the Evidence

One of the leitmotifs of the 2030 Agenda for Sustainable Development is its integrated approach: an insistence on the indivisibility of the Sustainable Development Goals (SDGs), necessary to bring a long-missing element of coherence to development policies and actions across multiple dimensions. The social economy (SE) shines in this respect, because of its inherently integrated approach: one of its distinguishing features is the combination of economic, social and often environmental concerns. Given the rapid growth of SE in Seoul, the capital of the Republic of Korea, and the Seoul Metropolitan Government's strong commitment to both SE and the SDGs, this Brief reviews unique empirical evidence gathered in Seoul which reveals how well SE is working to realize its potential to implement the SDGs in the balanced and integrated way they were intended.

### Social economy in Seoul

A series of laws and policies both nationally and in Seoul in recent years have promoted the social economy (SE) (Table 1). They are partly a de facto recognition of the growth of social economy organizations and enterprises (SEOs) that took place at the grassroots level in response to social and economic problems in the wake of the Asian financial crisis of the late 1990s and the early 2000s. They were also part of a strategy to expand social policy and engage non-state actors in the provision of social services.

As the legal frameworks and institutions for SE at the national level developed, the number of officially registered SEOs in Seoul also grew, from 341 in 2010 to 3,512 in 2016 (Seoul Social Economy Centre 2017). Seoul's own unique systems of participatory governance and its institutional and policy arrangements, which have been developing apace since 2012, have also contributed to the rapid growth of the SE sector in Seoul. The upshot is a social economy ecosystem comprising multiple actors and institutions, including public-civil partnerships and various intermediary organizations that provide support as well as autonomy from the SMG. The ecosystem has been fostered by SMG policies to finance and establish markets and distribution channels for SEOs, as well as to build management capacity in SEOs, and promote SEOs at the district level within Seoul. This participatory governance and the SE ecosystem have provided an environment conducive to the growth of diverse SEOs working on various aspects of sustainable development, particularly those associated with its social and economic dimensions.

The number of SEOs in Seoul has been increasing steadily since 2007, with a particularly rapid rise since 2012 when the SMG shifted the focus of its SE policy from providing direct financial support to building an ecosystem for the SE sector as a whole. The total revenues and jobs created in the sector have also increased since 2012 (Figure 2).

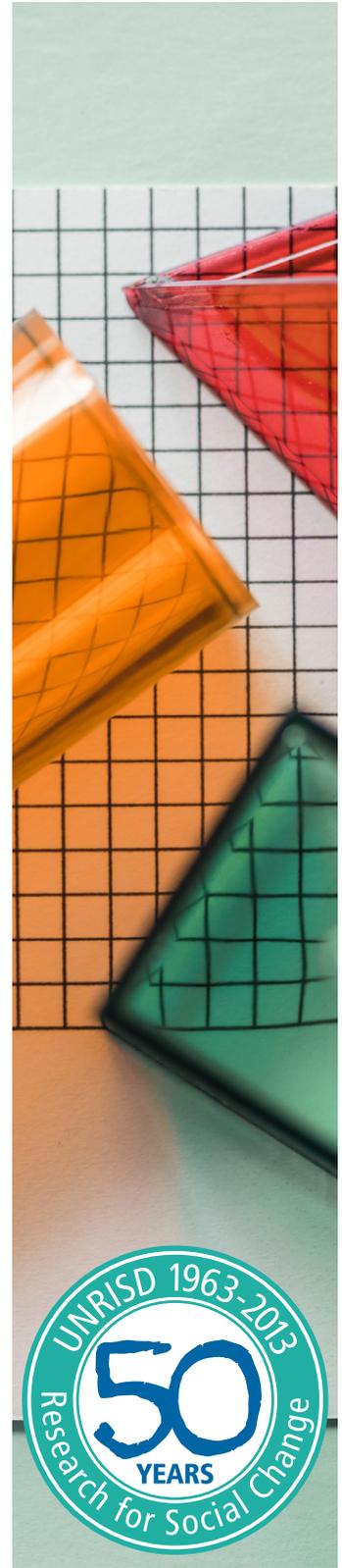
### Establishing Sustainable Development Goals for Seoul

In parallel with the promotion of SEOs, the SMG has actively promoted sustainable development and the SDGs. It established the Municipal Ordinance Committee for Sustainable Development in 2013, even before the adoption of the 2030 Agenda by the UN General Assembly in 2015. The Committee, which comprises representatives of both the public and private sectors, was mandated to establish sustainable development plans for Seoul and monitor and evaluate the implementation of these plans. In 2015, the SMG issued Seoul City's Basic Plan for Sustainable Development, which was followed by a number of policy actions intended to contribute to achieving the SDGs locally. Finally, after a series

Table 1. Laws and guidelines helping to grow the SE sector

	ACTS	SEOs	IMPACTS
1999	Consumer Cooperatives Act	Saenghyup and Consumer Cooperatives	Increased membership of cooperatives promoting environmentally friendly agriculture
	National Basic Living Security Act	Self-Reliance Enterprises	Welfare reform that responded to the Asian financial crisis with a workfare measure establishing producer organizations
2007	Social Enterprise Promotion Act	Various PCSEs and CSEs	Provided support mechanisms for those SEOs recognized by the government as Certified Social Enterprises (CSEs) and Pre-Certified Social Enterprises (PCSEs)
2010	Ministerial Implementation Guidelines to promote Village Enterprises	Village Enterprises	Established support mechanisms for various forms of SEOs at the village level
2012	Framework Act on Cooperatives	Social Cooperatives	Encouraged the creation of cooperatives by reducing the requirements to be legally recognized as a cooperative

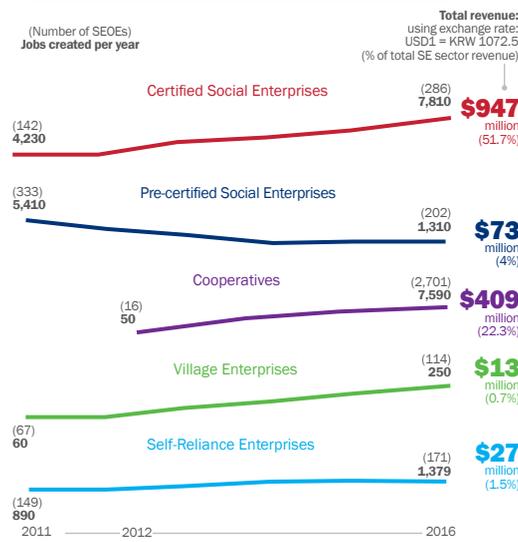
Source: Ministry of Government Legislation 2018



**Figure 1. SDGs in Seoul (S-SDGs)**



**Figure 2. Contribution of SEOEs to employment and revenue in Seoul (2011-2016)**



Source for data: Seoul Social Economy Center 2017

of discussions including civil society and academic groups, the SMG presented the Seoul Sustainable Development Goals (S-SDGs), “17 Ways to Change Seoul”, in November 2017 (Figure 1).

**Contribution of SEOEs to achieving the S-SDGs: Opportunities and limits**

Which S-SDGs are SEOEs contributing to, and which combinations of S-SDGs do they favour? What does this tell us about how well the social economy in Seoul is working as a means of implementation of these localized SDGs? To answer these questions, UNRISD conducted a qualitative analysis of the mandates of Seoul’s Certified Social Enterprises (CSEs). The results demonstrate how Seoul’s SEOEs are contributing to achieving certain clusters of S-SDGs and suggests how Seoul’s SEOEs might better address relatively marginalized S-SDGs through a more integrative and balanced approach.

**Box 1. Analytical method used to assess SEOEs’ contribution to achieving the S-SDGs**

To understand how SEOEs contribute to the S-SDGs, the UNRISD research team used text mining and semantic network analysis to analyse CSEs’ missions and public statements about their activities. The research team matched the statements with the S-SDGs through qualitative semantic analysis, and visualized these functional connections using quantitative metrics and semantic network analysis software. The team analysed 249 CSEs (out of the total 315 in Seoul) for which data were available on 12 September 2017.

The research focused on CSEs for three reasons. First, since diverse types of SEOEs can be CSEs, they are a highly representative sample group. Second, due to the rigorous screening and reviews undertaken by the Korea Social Enterprise Promotion Agency (KSEPA) of the social functions and missions of these organizations prior to issuing CSE status, CSEs have less inclusion error and tend not to be for-profit enterprises claiming to be SE. Third, information about the management of CSEs and relatively well-systematized statistics are publically available.

**Figure 3. How Seoul’s CSEs contribute to the S-SDGs**

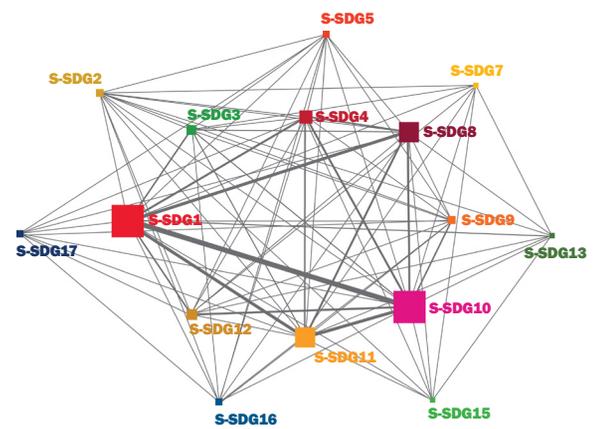


Figure 3 illustrates the diverse ways in which CSEs in Seoul contribute to the S-SDGs. The size of the box indicates the number of CSE activities and missions which support the S-SDG in question. The thickness of the line connecting the S-SDGs indicates to which extent the goals are supported simultaneously by CSE activities and missions. For instance, S-SDGs 1 and 10 have the largest boxes and the thickest connections, reflecting the requirement for organizations to contribute to relieving poverty and economically empower poor and vulnerable people in order to be recognized as a CSE.

The results of the analysis allowed grouping of the S-SDGs into five tiers, based on how many CSE activities and missions contributed to them:

- Tier I – S-SDGs 10, 1, 11 and 8 (more than 100 CSE activities and missions)
- Tier II – S-SDGs 4, 12, 3 and 9 (30 to 100 CSE activities and missions)
- Tier III – S-SDGs 2, 5, 16, and 17 (10 to 29 CSE activities and missions)
- Tier IV – S-SDGs 15, 13 and 7 (1 to 9 CSE activities and missions)
- Tier V – S-SDGs 6 and 14 (no CSE activities and missions)

The following key findings can be drawn from this analysis

**All CSEs contribute to achieving both S-SDG 1 (poverty) and S-SDG 10 (inequality)**

Since CSEs have to hire a certain number of people from vulnerable and poor groups in order to qualify as CSEs, all the CSEs studied highlight activities in their functions and missions that contribute to S-SDGs 1 and 10. We also see a high concentration of CSEs contributing to make Seoul an inclusive, safe and sustainable city for all citizens (S-SDG 11) and to job creation (S-SDG 8), as well as S-SDGs 1 and 10, through their activities to improve living conditions in poor areas and hire poor and vulnerable people.

**The majority of CSEs contribute to S-SDGs 4 (education and lifelong learning), 12 (sustainable production and consumption), 3 (health) and 9 (infrastructure and industrialization)**

Many CSEs also contribute to Tier II S-SDGs. They often train and educate poor and vulnerable people to provide upcycled goods, IT infrastructure services and care services. Given that many recipients of elderly care services are poor and vulnerable, the provision of care services is an important channel by which CSEs also link S-SDGs 1, 10 and 3.

**Creating synergies to achieve S-SDGs 1 (poverty), 11 (sustainable cities), 8 (economic growth and decent work) and 4 (education and lifelong learning)**

In terms of multiple and interconnected functions, SEOEs in Seoul which contribute to S-SDG 10 (reduce all forms of inequality) are more likely to have missions and functions that also address S-SDGs 1, 4, 8 and 11. In other words, they simultaneously address a nexus of issues which mutually reinforce each other. They also frequently engage with S-SDGs 3 (health) and 9 (infrastructure and industrialization). For instance, one CSE studied illustrates this nexus of six S-SDGs: it was primarily an NGO providing counselling services to foreign migrant workers and multi-cultural families, but it also provided education and health care services for its clients, hence contributing to in addition to S-SDGs 3, 4, 10 and 11.

**Relatively few CSEs work specifically on gender equality (S-SDG 5), but this is mainstreamed across many sectors**

Relatively less significant are the functions and missions of CSEs addressing S-SDGs 2 (urban-rural distribution system and urban agriculture), 5 (gender equality), 7 (energy), 13 (climate change), 15 (terrestrial ecosystems), 16 (inclusive institutions) and 17 (global leading city). It is notable, however, that while the number of CSEs addressing S-SDG 2 and S-SDG 5 is small, they contribute to as diverse a range of S-SDGs as the CSEs contributing to S-SDG 10, namely, S-SDGs 1 (poverty), 3 (health), 4 (education), 8 (decent work), 9 (infrastructure and industrialization), 11 (sustainable cities) and 12 (sustainable production and consumption). In particular, the CSEs addressing S-SDG 5 (gender equality) engage with various activities associated with other S-SDGs. This indicates that although the number of CSEs addressing gender equality is small, they are trying to address gender issues in multiple dimensions. For instance, CSEs hiring women, particularly foreign women from multi-cultural families, were active in a variety of business sectors. They include environment, care, manufacturing of eco-friendly goods, cafeterias and restaurants, art, agriculture and food distribution.

**CSE selection bias works against their involvement with S-SDG 17 (global leading city)**

The small number of CSE activities and missions contributing to S-SDG 17 probably reflects the narrow selection criteria for CSEs which focus on support for poor and vulnerable people in the Republic of Korea.

Many SEOEs working on fair trade, for example, which support producers in developing countries, are less likely to be certified as CSEs because they primarily provide support for poor and vulnerable people outside the Republic of Korea.

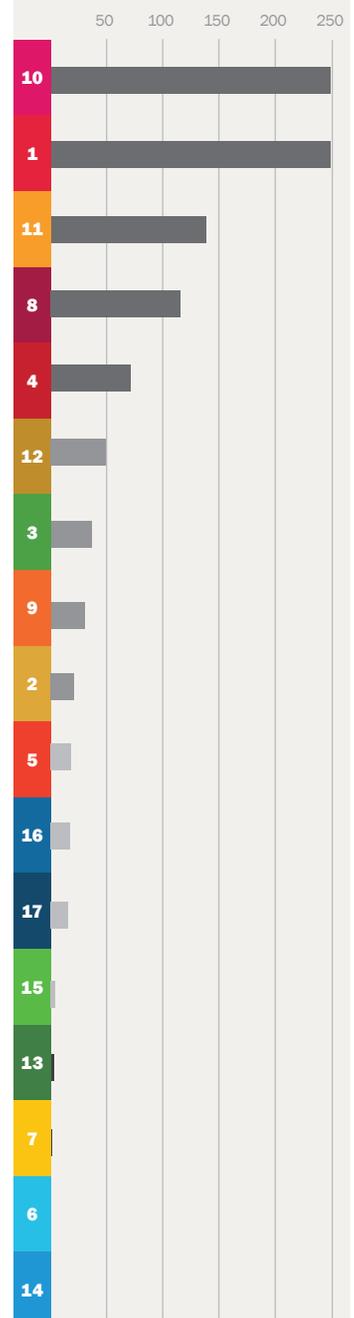
**Little attention is being paid by CSEs to water-related goals**

No CSE has a mission or functions that address S-SDGs 6 (healthy and safe water) and 14 (restoration of the Han River). Considering the SMG's numerous projects associated with these goals, SEOEs still have ample opportunities to explore economic activities associated with them—such as quality control of piped water, groundwater control, recycling of rainwater, environmentally friendly water purification plants, and control of quality and safety of the Han River and other rivers (Seoul Metropolitan Government 2017).

**Some missed connections**

Not many CSEs engage with health (S-SDG 3) and education (S-SDG 4) at the same time. Also, CSEs addressing S-SDG 11 (sustainable cities), which mostly undertake economic activities in the housing sector, do not address S-SDG 12 (sustainable consumption and production). Although the S-SDGs and their targets are interdependent (for instance, improving schooling is only useful if children are healthy enough to attend school and concentrate), many CSEs' activities do not address these interdependencies, despite existing potential to do so. The results of this analysis bear this out by revealing many sets of S-SDGs which are not often simultaneously addressed, such as 2 (urban-rural distribution system and urban agriculture)—17 (leading global city); 5 (gender)—7 (energy); 7 (energy)—9 (infrastructure and industrialization); 9 (infrastructure and industrialization)—13 (climate change) and 15 (terrestrial ecosystems)—16 (inclusive institutions). In

Figure 4. Number of CSEs contributing to the S-SDGs



**Box 2. Social and Solidarity Economy for the SDGs: Spotlight on the Social Economy in Seoul**

This project examines the social economy (SE) in Seoul, Republic of Korea, and how it is contributing to implementing and, ultimately, achieving the city's "localized" SDGs. Characterized by a rapid development of proactive SE policies, dramatic growth of SE organizations and enterprises, and the Seoul Metropolitan Government's strong commitment to the Sustainable Development Goals (SDGs), the city's experience can enrich understanding of social and solidarity economy as a means of implementation of the SDGs. The project adopts a mixed approach of qualitative and quantitative methods. It includes thematic studies, in-depth case studies in Seoul, cross-case comparative analysis, and analysis of SE policy initiatives. The final project publication will be available in 2018.

To learn more, visit [www.unrisd.org/sse-sdgs-seoul](http://www.unrisd.org/sse-sdgs-seoul)



The project is funded by the Global Social Economy Forum.

particular, CSEs mostly involved in activities associated with industrialization and innovation pay little attention to energy and climate change, indicating that CSEs do not contribute much to minimizing the trade-off between industrialization on the one hand and energy consumption and climate change on the other hand.

## Conclusion

The 2030 Agenda demands an integrated approach by which its interdependent goals and targets can be simultaneously addressed. Seoul's SEOEs with their multiple concerns and activities can, and often do, create synergistic impacts in relation to various S-SDGs. Yet, the analysis presented here also found that there are some crucial gaps in SEOEs' engagement with some S-SDGs. In particular, the environmental dimension of SE in Seoul appears to be the weakest, despite environmental activism having been one of the driving forces behind the current sustainability agenda. CSEs prioritizing economic and social objectives need to pay more attention to their potential to contribute to environmental S-SDGs.

SEOEs also need to strengthen their contributions to goals and targets associated with gender equality. Given that S-SDG 5 (gender equality) is one of the goals supported by many targets of other S-SDGs, SEOEs working for gender equality need to be more innovative and link their activities with other dimensions of sustainable development, and in particular energy-related goals, as they are underrepresented in the work done by CSEs in Seoul.

The fact that CSEs contribute less to some areas of sustainable development than to others may reflect policy preferences at the national and local level, namely a focus on employment creation, with SEOEs playing a significant role in this regard. An important avenue for employment creation has been the provision of social services by SEOEs within a context of welfare state or social policy expansion. Furthermore, the criteria for certifying SEOEs as CSEs relate primarily to economic and social aspects, creating an incentive structure that encourages SEOEs to focus on economic and social dimensions, paying less attention to integrating environmental concerns. Whether and how national and local governments' policy preferences for social and economic goals, and in particular job creation and social service provision,

can be shifted to incorporate concerns such as the environment and gender remains an open question.

Seoul's experience offers many lessons for policy stakeholders to identify and promote means of implementation of the SDGs which create synergies and minimize trade-offs between goals, targets and policies in an integrated and balanced manner.

First, proactive engagement of the local government and civil society organizations with the globally agreed development agenda plays a significant role in spreading policies and practices for sustainable development.

Second, the 2030 Agenda calls for an integrated approach across the economic, environmental and social dimensions of sustainable development. The research found that SEOEs in Seoul, with their multiple concerns and activities, have great potential to implement this integrated approach, with their activities working synergistically to contribute to multiple SDGs simultaneously.

Third, government policies biased towards certain aspects of development, such as job creation, may constrain the potential of SSEOEs to contribute to achieving multiple goals and targets of the SDGs in a balanced and integrated manner. A strong participatory governance system involving a wide range of actors, such as governments and diverse SSEOEs from different sectors, can facilitate dialogue between SSEOEs contributing to different SDGs. Such a system can correct government policy bias towards specific goals and establish an effective integrated approach to sustainable development and the SDGs.

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Through our work, we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

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This brief was prepared by Ilcheong Yi.

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